

## Investment Rationale

### 1. Key Investment Risk & Return Considerations

The table below describes the key Investment Risk and Investment Return characteristics that Financial Brokers should consider when recommending this Bond to retail investor clients:

| Feature                      | Description  |
|------------------------------|--|
| <b>Investment Theme</b>      | Eurozone Equities<br>Benchmark Index: EuroStoxx 50 Index (SX5E Index)  |
| <b>Rationale for Theme</b>   | EuroStoxx 50 Index is the most recognised Benchmark Index of Eurozone shares<br><br>Indices provide a broad, passive exposure to the largest companies in a particular region (the Eurozone in this case)  |
| <b>Potential Bonuses</b>     | Potential 6.95% bonus each year if the Index is at or above 90% of its initial level at the end of each year. The potential bonuses are rolled up and paid at Maturity.<br><br>Memory Feature: If any potential bonus is missed, it can be caught up if the conditional return level (at or above 90% of initial level) is exceeded at the end of any subsequent year<br><br>Maximum Return: 27.8% |
| <b>Investment Risk Level</b> | Medium   |
| <b>SRI</b>                   | 4  |
| <b>Capital Protection</b>    | None<br>This Bond is Full Capital at Risk<br><br>If the Index has fallen at the Final Valuation Date, investors will lose 1% for every 1% decline in the value of the Index on the Final Valuation Date  |
| <b>Investment Term</b>       | 4 Years (Medium)   |
| <b>Unique Features</b>       | Bonus Builder: 6.95% bonus if Index is at or above 90% of its initial level each year.<br><br>Memory Feature: If any potential bonus is missed, it can be caught up.   |
| <b>Product Compromises</b>   | <b>No Capital Protection:</b> Investors can lose some or all of the amount invested<br><br><b>Opportunity Cost:</b> Capital Returns or Investment Income could be higher if invested in a concentrated portfolio of shares or risky assets rather than an Index  |

|                  |  |
|------------------|--|
|                  | Bonuses capped at 6.95% per year and Bond return is capped at 27.8%. Capital Returns could be higher if invested without a performance cap or with unlimited investment returns. |
|                  |  |
| <b>Liquidity</b> | Yes  |
| <b>Taxation</b>  | Capital Gains Tax (CGT) in the case of Personal and Company Investors<br>Exempt for Pension & Post Retirement Schemes  |

## ***2. Investment Rationale in more detail***

The investment rationale for investing in the Bond and in this Index can be summarised as follows:-

- Bonus Builder Feature: Potential 6.95% bonus each year if the Index is at or above 90% of its initial level at the end of each year. If the Index has risen or fallen by up to -10% at the end of each year, the bonus of 6.95% is payable. The potential bonuses are rolled up and paid at Maturity.
- Memory Feature: If any potential bonus is missed, it can be caught up if the conditional return level (at or above 90% of initial level) is exceeded at the end of any subsequent year.
- Investing in the Eurozone
- Investing in equities as a Long Term Investment and investing in the EuroStoxx 50 Index

### ***Equities as a Long Term Investment***

Although investing in equities (shares) involves a degree of investment risk and there will be volatile periods along the way, in the long term, equities tend to outperform other assets like bonds, property, cash etc. By adopting a medium term approach, equity investors can mitigate the risks and short term volatility associated with stock market investment while benefiting from the long term capital growth potential that stock markets can provide.

Stock Market Indices provide a broad representative portfolio of investments in multiple companies or shares. Indexes are often used as benchmarks to gauge the movement and performance of market segments or geographic regions. Investors generally use Indexes as a basis for diverse or passive investing. The EuroStoxx 50 Index is a benchmark Index of Eurozone shares.

### ***The EuroStoxx 50 Index***

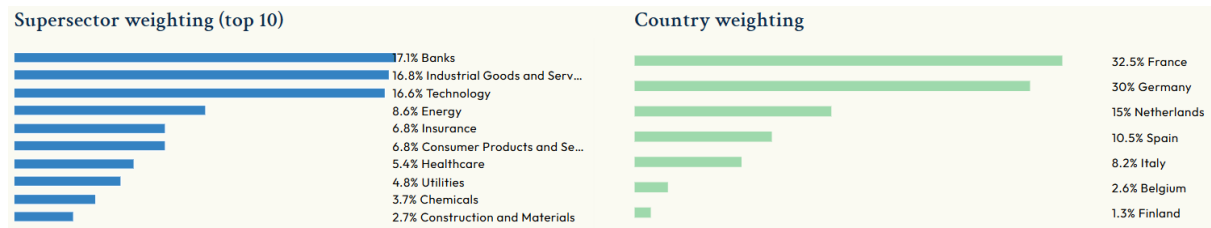
The EuroStoxx 50 Index tracks the Eurozone's supersector leaders, resulting in a diversified and liquid portfolio of 50 Eurozone shares. The index's weighting is based on free-float market capitalisation, with a maximum weight of 10 percent per constituent.

The blue-chip benchmark underlies more than 25 billion euros in ETF assets, while futures and options on the index are the most actively traded equity index derivatives on Eurex. More than 160,000 structured products are linked to the EuroStoxx 50 Index.

Source: <https://stoxx.com/index/sx5e/>  
Index Fact Sheet: <https://stoxx.com/index/sx5e/?factsheet=true> (30 April 2026)

**Warning: The Index is a Price Return Index. Dividends or income distributed by the Index constituents will not be re-invested in this Index nor distributed to investors.**

## Index Sector and Country Weightings



Source: <https://stox.com/index/sx5e/?factsheet=true> (30 April 2026)

## Index Top 10 Holdings

| Company            | Supersector                    | Country     | Weight  |
|--------------------|--------------------------------|-------------|---------|
| ASML HLDG          | Technology                     | Netherlands | 10.122% |
| SIEMENS            | Industrial Goods and Services  | Germany     | 4.517%  |
| TOTALENERGIES      | Energy                         | France      | 4.127%  |
| SCHNEIDER ELECTRIC | Industrial Goods and Services  | France      | 3.687%  |
| BCO SANTANDER      | Banks                          | Spain       | 3.627%  |
| SAP                | Technology                     | Germany     | 3.536%  |
| ALLIANZ            | Insurance                      | Germany     | 3.520%  |
| SIEMENS ENERGY     | Energy                         | Germany     | 3.321%  |
| IBERDROLA          | Utilities                      | Spain       | 2.944%  |
| LVMH MOET HENNESSY | Consumer Products and Services | France      | 2.684%  |

Source: <https://stox.com/index/sx5e/?factsheet=true> (30 April 2026)

## Index Past Performance

The Index has had an annualised return of 8.3% over the last 5 years. This table outlines the Index's annualised returns over the last 1, 3 and 5 years:

|  | 1Y   | 3Y   | 5Y  |
|--|------|------|-----|
|  | 14.2 | 10.7 | 8.3 |

Source: <https://stox.com/index/sx5e/?factsheet=true> (30 April 2026)

### **Index Past Performance Chart**

This chart illustrates the performance of the Index over the past 5 years:



Source: <https://stoxx.com/index/sx5e/> (19 May 2021 to 19 May 2026)

**Warning: Past Performance is not a reliable guide to future performance.**

### **3. Warnings**

**Warning: If you invest in the Bond you may lose some or all of the money you invest.**

**Warning: The value of your investment may go down as well as up.**

**Warning: This document is intended for Financial Broker firms only and is not suitable for potential Investors. This document should be read in conjunction with the product Brochure where a full list of warnings is provided.**